ASIAN AMERICAN MEDICAL GROUP LIMITED

and its controlled entities

ABN 42 091 559 125

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR THE

YEAR ENDED 31 AUGUST 2018

Asian American Medical Group Limited *and its controlled entities*
Appendix 4E Preliminary Final Report for the year ended 31 August 2018

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Appendix 4E

Asian American Medical Group Limited

ABN 42 091 559 125

Preliminary final report

Current reporting period:	Year ended 31 August 2018
Previous corresponding period:	Year ended 31 August 2017

All amounts are stated in Singapore Dollars unless stated otherwise.

The consolidated preliminary final report is presented in Singapore Dollars (SGD) as a significant portion of the group's activity is denominated in Singapore Dollars. The average and closing rate of exchange used at 31 August 2018 was 1.0249 S$ and 0.9951 S$ to 1A$ respectively (2017: 1.0615 S$ and 1.0772).

Results for announcement to the market

				S$'000
Revenue from ordinary activities	Up	15.2%	to	17,477
Profit from ordinary activities after tax attributable to members	Up	n.m	to	2,067
Net profit for the year attributable to members	Up	n.m	to	1,951

Commentary on results

	FY2018 S$'000	FY2017 S$'000	Change %
Revenue	17,477	15,167	15.2
Other income	405	207	95.2
Recovery of doubtful debts	-	150	n.m
Write-off of goodwill	-	(266)	n.m
Gain on purchase	1,561	-	n.m
Direct costs and operating expenses	(17,548)	(18,139)	(3.3)
Share of results of associates	2	-	n.m
Profit/ (Loss) before tax	1,897	(2,881)	n.m
Taxation	170	(150)	n.m
Profit/ (Loss) after taxation	2,067	(3,031)	n.m
Profit/ (Loss) attributable to:			
Members of the parent entity	1,951	(3,093)	n.m
Non-controlling interest	116	62	87.1
	2,067	(3,031)	n.m
Earnings/ (Loss) per share for operations (S cents)	0.62	(1.04)	n.m

n.m – not meaningful

Financial Review

The Group's revenue rose to S$17.5 million for the financial year ended 31 August 2018 ("FY2018"), representing an increase of 15.2% or S$2.3 million from S$15.2 million in FY2017, due mainly to significant improvements in the radiation and oncology and healthcare management and consultancy segments.

Our radiation and oncology segment recorded higher patient volume in FY2018 with the addition of a Radiation Oncologist during the financial year, resulting in revenue increasing 53.6% to S$3.0 million in FY2018.

Revenue for the healthcare management and consultancy segment increased to S$1.8 million in FY2018, due to fees for preliminary work performed in relation to the development of an integrated cancer centre in Johor, Malaysia ("Johor Project"). Following that, the Group completed the acquisition of Hippocrates Development Sdn. Bhd. ("HDSB"), the land owner and developer of the Johor Project, on 6 March 2018, signalling its foray into healthcare real estate and the expansion of its radiation and oncology segment into Malaysia.

The Group recorded a 2.5% rise in overall patient transactions to 7,079 from 6,903 in FY2017. The corresponding Net Profit after Tax ("Net Profit") was S$2.1 million in FY2018, after accounting for a deferred tax benefit of S$0.2 million, reversing a Net Loss after Tax ("Net Loss") of S$3.0 million in FY2017. The Net Profit included a bargain gain of S$1.6 million from the acquisition of HDSB, as well as one-off expenses amounting to S$0.7 million relating to professional fees incurred for the Group's exploration of a potential listing migration from Australian Securities Exchange ("ASX") to the Singapore Exchange ("SGX"). Without these one-off items, the Group's Net Profit would have been S$1.2 million.

Liver segment

Revenue for Asian American Liver Centre ("AALC"), the Group's wholly-owned subsidiary operating in the liver segment, was S$12.7 million in FY2018, a decline of 3.6% or S$0.5 million from S$13.2 million in FY2017. Patient transactions for this segment declined marginally by 0.6% with 6,494 patient transactions in FY2018 compared to 6,530 in FY2017.

Although an increase is seen in the professional fees and number of liver dialysis of 9.3% and 67.8% in FY2018, it was offset by the decrease in other activities such as surgeries, fibroscans and medication sales of 25.8%, 16.8% and 18.9% respectively. There were fewer Living Donor Liver Transplants ("LDLTs") performed during the year in review, with four completed in FY2018 compared to six in FY2017.

Direct costs decreased by 4.7% or S$0.4 million to S$8.2 million from S$8.6 million in line with the lower revenue. The marginally higher reduction in direct costs compared to revenue was due to a higher volume of sales mix from clinical procedures with higher Gross Profit Margin ("GPM"). As a result, the overall GPM increased to 35.4% in FY2018 from 34.5% in FY2017.

Despite the lower revenue, net loss narrowed by 86.3% or S$0.7 million due mainly to the cost reduction exercise implemented in January 2018. Although the Group increased its headcount to 31 in FY2018 from 28 in FY2017, employee benefits expenses – AALC's main cost component (constituting approximately 79% of total expenses) – decreased by 9.8% or S$0.4 million to S$3.7 million in FY2018 from S$4.1 million in FY2017 as a result of reductions to salaries and bonuses.

The liver segment accounted for 72.7% of the Group's revenue in FY2018 compared to 86.9% in FY2017. Although it remains the Group's largest revenue contributor, its share of contributions has declined due to the growing contribution from other segments.

Radiation and Oncology segment

Revenue for the Group's radiation and oncology unit, Asian American Radiation & Oncology ("AARO"), continued its growth momentum with a 53.6% or S$1.0 million increase to S$3.0 million in FY2018 from S$2.0 million in FY2017. This was driven by the 56.8% increase in patient transactions to 585 from 373 in FY2017. AARO increased its number of doctors to three with the recruitment of another Radiation Oncologist, Dr David Tan, in March 2018. In addition, AARO expanded its clinical presence to five locations in Singapore. Provision of clinical services to patients accounted for 96.0% of AARO's total revenue, with the balance from overseas project management and consultancy services carried out in Russia and Myanmar.

Direct costs increased by 58.3% or S$0.7 million to S$1.9 million in FY2018 from S$1.2 million in FY2017, in line with the increase in revenue. The marginally higher increase in direct costs compared to revenue was due to a higher volume of sales mix from clinical procedures with lower GPM. As a result, the overall GPM declined slightly to 36.9% in FY2018 from 41.0% in FY2017.

Other operating expenses increased by 50.0% or S$0.3 million to S$0.9 million in FY2018 from S$0.6 million in FY2017 as a result of the expanding operations. AARO's headcount increased from four to seven to cater for the larger operations, resulting in AARO's employment cost increasing from S$0.5 million to S$0.6 million in FY2018. Operating lease increased to S$72,000 in FY2018, up S$69,000 from S$3,000 in FY2017, as AARO started new clinics in four more locations: Mount Alvernia Hospital, Mount Elizabeth Novena Hospital, Farrer Park Hospital and Concord International Hospital.

As a result of the above, Net Profit increased by 100.0% or S$0.2 million to S$0.4 million in FY2018 from S$0.2 million in FY2017, after recording deferred tax benefit of S$0.2 million. AARO remains the Group's second-largest revenue contributor, accounting for 17.3% (2017: 13.0%) of the Group's revenue in FY2018.

Management and Consultancy segment

Revenue for the management and consultancy segment increased significantly to S$1.8 million in FY2018 from S$30,000 in FY2017. The increase was attributable to professional services rendered to HDSB in relation to the development of the Johor Project prior to HDSB's acquisition. Professional services rendered to HDSB post-acquisition have been eliminated at the Group level.

Other income increased to S$0.4 million in FY2018, up 100.0% or S$0.2 million from S$0.2 million in FY2017, due mainly to the sale of two ambulances which brought in a one-off net trading profit of S$0.2 million. Net Profit from the management and consultancy segment came to S$1.1 million in FY2018, reversing a net loss of S$1.5 million in FY2017.

The Group's other operating expenses declined to S$1.0 million in FY2018, down by 35.0% or S$0.6 million from S$1.6 million in FY2017, largely attributable to unrealised exchange gain arising from the weakening of AUD against SGD on foreign-denominated intercompany loans, amounting to S$0.7 million.

As a result of the above, the Group recognised a net profit of S$2.1 million in FY2018, reversing a net loss of S$3.0 million in FY2017.

Review of Financial Position

Net assets for the Group increased by 60.7% or S$5.8 million to S$15.4 million in FY2018 from S$9.6 million in FY2017. This was due to Net Profit for the year of S$2.1 million and an increase in share capital as a result of the issuance of 40 million new shares; partially offset by the decrease in foreign currency translation reserve of S$1.0 million, due to the weakening of AUD against SGD.

Other significant changes during the year under review were:

a) Decrease in cash and cash equivalents by 2.7%, or S$0.3 million, to S$8.9 million in FY2018 (FY2017: S$9.2 million) due to the engagement of professional services for the development of the Johor Project;
b) Increase in property, plant and equipment by S$8.9 million to S$9.0 million in FY2018 (FY2017: S$69,000) relating to the land and building for the development of the Johor Project, which has been consolidated from HDSB at the Group level;
c) Increase in investment in joint venture by S$69,000 in FY2018 (FY2017: nil) due to the incorporation of All-Star American Medical Specialists (Myanmar) Limited ("AAMS");
d) Increase in deferred tax asset by S$0.2 million in FY2018 (FY2017: nil) due to recognition of unutilised tax losses at entity's level;
e) Decrease in trade and other receivables by 54.0%, or S$3.3 million, to S$2.8 million in FY2018 (FY2017: S$6.1 million) due to a shorter collection period for trade receivables, despite the 15.2% increase in revenue from improved collection;
f) Decrease in trade and other payables by 5.0%, or S$0.3 million, to S$5.6 million in FY2018 (FY2017: S$5.9 million) due to a shorter payment period for trade payables, despite the 16.2% increase in direct costs %.

Given the above, Net Asset Value ("NAV") per share rose by S 2.0 cents to S 5.2 cents in FY2018 from S 3.2 cents in FY2017.

Dividends per share

Current period	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign sourced dividend	Amount A$'000
NIL	-	-	-	-
Previous corresponding period				
NIL	-	-	-	-

Net tangible assets and net asset value per share

	31-Aug-18	31-Aug-17
Net tangible assets per ordinary share - (S cents)	**5.19**	**3.23**
- (A cents)	**5.21**	**2.99**
Net assets value per ordinary share - (S cents)	**5.19**	**3.23**
- (A cents)	**5.21**	**2.99**

*closing exchange rate used was 0.9951 S$ to 1A$ (2017: 1.0772 S$ to 1A$)

Details of entities over which control has been gained or lost

Control gained:

(A) Gold Bell Asia American Healthcare Ventures Company Limited ("GBAA") was incorporated in Myanmar on 19 September 2017 and is a 51% subsidiary of Asian American Medical Group Pte Ltd.

(B) On 6 March 2018, Million Health Ventures Pte Ltd ("MHV"), a wholly-owned subsidiary of AAMG, completed its acquisition of 95.1% HDSB. Under the conditional subscription agreement dated 20 October 2017, the subscription price of RM19,408,163 consisted of RM5,606,963 paid by MHV to HDSB, together with the issue of approximately 40,000,000 shares by AAMG in partial satisfaction of amounts due to the land vendor by HDSB (under the Sale and Purchase Agreement). This was equivalent to the balance of the subscription price for MHV, which amounted to RM13,801,200.

(C) All-Star American Medical Specialists (Myanmar) Limited ("AAMS") was incorporated in Myanmar on 16 May 2018 and is 50% owned by GBAA.

Control lost:

(D) PT Asian Liver Center Indonesia, a 50% dormant associate of Asian American Liver Centre Pte Ltd, was disposed of for a nominal sum of S$1.00 on 12 September 2017.

Compliance statement

This preliminary final report is based on accounts which are in the process of being audited.

Asian American Medical Group Limited

Corporate Directory

Directors
Dato' Dr Kai Chah Tan (Executive Chairman)
Mr Evgeny Tugolukov (Non-Executive Director)
Mr Heng Boo Fong (Independent Non-Executive Director)
Mr Paul Vui Yung Lee (Independent Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Stuart L Dean (Independent Non-Executive Director) (appointed on 1 May 2018)

Company Secretary
Mr Dario Nazzari

Registered Office
25 Peel Street
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Fax: +61 8 8110 0900
Website: www.aamg.co

Auditors
Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000
Tel: +61 8 8372 6666
Fax: +61 8 8372 6677

Bankers
DBS Bank Ltd
12 Marina Boulevard
DBS Asia Central, Marina Bay Financial Centre Tower 3
Singapore 018982

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry
Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000
Tel: +61 8 8236 2300
Fax: +61 8 9473 2408

Stock Exchange Listing
The Company's shares are quoted on the Official List of Australian Securities Exchange Limited.
ASX Code : AJJ

Asian American Medical Group Limited
And Controlled Entities
ABN 42 091 559 125

PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2018

		Consolidated Group	
	Note	**Year ended 31.8.2018**	**Year ended 31.8.2017**
		S$	**S$**
Revenue	3	17,477,029	15,166,882
Other operating income	3	404,903	207,412
Changes in inventories		25,207	(25,110)
Raw materials and consumables used		(10,388,161)	(9,715,169)
Employee benefits expense		(5,476,572)	(6,201,273)
Depreciation	13	(46,062)	(53,551)
Directors' fees		(79,176)	(81,596)
Recovery of doubtful debts	11	-	150,078
Write-off of goodwill	14	-	(266,123)
Gain on purchase	7	1,560,772	-
Operating lease expense	4	(562,090)	(492,993)
Other expenses		(1,021,315)	(1,569,988)
Share of results of associates	19	2,417	-
Profit/ (Loss) before income tax		**1,896,952**	**(2,881,431)**
Income tax benefit/ (expense)	5	169,886	(149,379)
Profit/ (Loss) after income tax	4	**2,066,838**	**(3,030,810)**
Other comprehensive income			
Items that may be reclassified to Profit or Loss:			
Net effect of foreign currency translation		(963,095)	525,350
Total comprehensive profit/ (loss) for the year		**1,103,743**	**(2,505,460)**
Profit/ (Loss) attributable to:			
Members of the parent entity		1,950,766	(3,093,383)
Non-controlling interest		116,072	62,573
		2,066,838	**(3,030,810)**
Total comprehensive profit/ (loss) attributable to:			
Members of the parent entity		987,671	(2,568,033)
Non-controlling interest		116,072	62,573
		1,103,743	**(2,505,460)**
Earnings/ losses per share			
Basic earnings/ (loss) per share (S cents)	9	**0.62**	**(1.04)**
Diluted earnings/ (loss) per share (S cents)	9	**0.62**	**(1.04)**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2018

	Note	Consolidated Group	
		31.8.2018	**31.8.2017**
		S$	**S$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	8,928,738	9,174,730
Trade and other receivables	11	2,820,867	6,127,377
Inventories	12	192,689	165,618
Income tax refundable	16	-	8,334
TOTAL CURRENT ASSETS		11,942,294	15,476,059
NON-CURRENT ASSETS			
Property, Plant and equipment	13	8,973,374	69,934
Intangible assets	14	-	-
Investment in Joint Venture	19	69,248	-
Deferred tax asset	16	171,375	-
TOTAL NON-CURRENT ASSETS		9,213,997	69,934
TOTAL ASSETS		21,156,291	15,545,993
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	5,642,378	5,940,733
TOTAL CURRENT LIABILITIES		5,642,378	5,940,733
NON-CURRENT LIABILITIES			
Deferred tax liability	16	75,922	-
TOTAL NON-CURRENT LIABILITIES		75,922	-
TOTAL LIABILITIES		5,718,300	5,940,733
NET ASSETS		**15,437,991**	**9,605,260**
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	17	17,228,598	12,932,538
Reserves	18	(812,302)	150,793
Accumulated losses		(1,701,739)	(3,652,505)
		14,714,557	**9,430,826**
Non-controlling interest		723,434	174,434
TOTAL EQUITY		**15,437,991**	**9,605,260**

The accompanying notes form part of this financial report.

Asian American Medical Group Limited
And Controlled Entities
ABN 42 091 559 125

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Accumulated losses	Foreign currency translation reserve	Non-controlling interest	Total
	S$	S$	S$	S$	S$
Balance at 1.9.2016	12,932,538	(559,122)	(374,557)	111,861	12,110,720
Total comprehensive income:					
(Loss)/ Profit for the year	-	(3,093,383)	-	62,573	(3,030,810)
Other comprehensive income	-	-	525,350	-	525,350
	-	(3,093,383)	525,350	62,573	(2,505,460)
Balance at 31.8.2017	12,932,538	(3,652,505)	150,793	174,434	9,605,260
Balance at 1.9.2017	12,932,538	(3,652,505)	150,793	174,434	9,605,260
Total comprehensive income:					
Profit for the year	-	1,950,766	-	116,072	2,066,838
Other comprehensive income	-	-	(963,095)	-	(963,095)
	-				
Transactions with owners in their capacity as owners:					
Issue of share capital (net of capital arising)	4,296,060	-	-	-	4,296,060
Non-controlling interest arising from acquisition of a subsidiary (see Note 2(c))	-	-	-	33,628	33,628
Acquisition of subsidiary (see Note 7)	-	-	-	399,300	399,300
Balance at 31.8.2018	17,228,598	(1,701,739)	(812,302)	723,434	15,437,991

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Consolidated Group Year ended 31.8.2018 S$	Consolidated Group Year ended 31.8.2017 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,457,930	14,103,279
Payments to suppliers and employees		(19,824,879)	(16,607,227)
Income tax refunded/(paid)		82,770	621
Net cash generated from/ (used in) operating activities	22	715,821	(2,503,327)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		63,713	100,617
Purchase of property, plant and equipment		(712,899)	(4,849)
Acquisition of subsidiary, net of cash (see Note 2(c))		3,825	-
Net cash (used in)/ generated from investing activities		(645,361)	95,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interest		33,628	-
Net cash generated from financing activities		33,628	-
Net change in cash and cash equivalents		104,088	(2,407,559)
Cash and cash equivalents at beginning of the year		9,174,730	11,307,905
Exchange gain/ (loss) on cash and cash equivalents		(350,080)	274,384
Cash and cash equivalents at end of the year	10	8,928,738	9,174,730

The accompanying notes form part of this financial report.

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG" or "Company") is the Group's Ultimate Parent Company and is a Public Company incorporated and domiciled in Australia. The address of its registered office is at 25 Peel Street, Adelaide SA 5000 and its principal place of business is at 6A Napier Road, Gleneagles Hospital Annexe Block, #02-37 Singapore 258500.

The consolidated financial report of the Company as at and for the year ended 31 August 2018 comprises the Company and its subsidiaries. The principal activity of AAMG is the provision of specialised medical services for liver diseases and transplantation, radiation and oncology, healthcare management and consultancy services and healthcare real estate.

AAMG is a for-profit entity for the purpose of preparing financial statements.

2 Statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of Asian American Medical Group Limited and controlled entities ("Consolidated Group" or "Group").

(a) Basis of preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated preliminary final report is presented in Singapore Dollars (SGD or S$) as a significant portion of the group's activity is denominated in Singapore Dollars.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August, except for Gold Bell Asia American Healthcare Ventures Company, a newly incorporated subsidiary in the reporting period, has a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(c) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer Note 2(j)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact the measurement of any non-controlling interest to be recognised in the acquiree, where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the entity interest issued by the acquirer.

Reverse acquisition, where the cost of the business combination is deemed to have been incurred by the legal subsidiary (i.e. the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent (i.e. the acquiree for accounting purposes), are accounted for under AASB 3: Business Combinations. The method calculates the fair value of the instruments issued by the legal parent on the basis of existing instruments of the legal subsidiary.

All transaction costs incurred in relation to the business combination are expensed to the profit or loss.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(d) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted, as at reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories includes direct costs associated with the purchase of inventory including transportation costs.

(f) Property, plant & equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation

The depreciation of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	*Depreciation Rate*
Office equipment	5 years
Medical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Leasehold Improvements	4 years
Building	30 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(h) Financial instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and Subsequent Measurement of Financial Assets

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(ii) Held-to-maturity ("HTM") investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the intention and ability to hold them until maturity.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

(iii) Available for sale financial assets

Available for sale financial assets are non-derivative assets that are either not suitable to be classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available for sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss ("FVTPL"), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Impairment testing is performed annually for goodwill.

(j) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest; and
(iii) the acquisition date fair value of any previously held equity interests

over the acquisition date fair value of net identifiable assets acquired. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored by where such level is not larger than an operating segment.

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of initial recognition.

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”) or Inland Revenue Authority of Singapore (“IRAS”). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the statement of financial position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO or IRAS is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO or IRAS are classified as operating cash flows.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

(o) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group’s entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Singapore dollars which is the functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income depending on the nature of the non-monetary items.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

(p) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows depending on the availability of high quality corporate bonds.

Central Provident Fund ("CPF") contributions**:** The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution post-employment or pension scheme. Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the profit or loss as incurred.

(q) Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to 'share option reserve'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up are allocated to share capital.

(r) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of medication is recognised upon delivery of the medication to the patient. Revenue from rendering of medical services such as medical consultation, surgery and transplantation is recognised upon completion of the consultation or procedure.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Management fees revenue is recognised by reference to the stage of completion of the contract.

All revenue is stated net of goods and services tax ("GST").

(s) Transaction costs on the issue of equity instruments

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(t) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(u) Investments in associates and joint arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(v) Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year, assuming that all potentially dilutive securities were exercised, if dilutive.

Key Estimates and Judgements

Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations and valuations from independent valuers are performed and used in assessing recoverable amounts, these calculations and valuations incorporate a number of key estimates.

Please refer to note 11 and 14 with respect to Management's consideration of impairment of receivables and goodwill respectively, as at 31 August 2018.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination (see Note 2(c)). Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability (see Note 7).

3 Revenue

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Operating activities		
Provision of services	13,662,937	12,800,020
Sale of medication	1,733,107	1,965,929
Management fee	2,080,985	400,933
Total revenue from operating activities	17,477,029	15,166,882
Other operating income		
Interest received	63,713	100,617
Other income	341,190	106,795
Total other operating income	404,903	207,412

4 Profit/ (Loss) for The Year

The profit/ (loss) for the year has been arrived at after (charging)/crediting the following items:

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Expenses		
Cost of sales	(10,362,954)	(9,740,279)
Net foreign exchange loss	665,711	(371,148)
Administrative expenses include rental expense on operating leases as follows:		
- premises	(562,090)	(492,993)
Depreciation	(46,062)	(53,551)
Recovery of doubtful debts (Note 11(a))	-	150,078
Professional fees	(1,116,508)	(540,202)
Management fees	-	(83,634)
Credit card charges	(69,447)	(59,033)
Central Provident Fund	(263,837)	(233,441)

5 Income Tax Expense/(Benefit)

	Consolidated Group	
	2018	**2017**
	S$	**S$**
a. The components of tax expense/(benefit) comprise:		
Current tax	1,486	4,079
Deferred tax	(171,375)	150,000
Under/ (over) provision in respect of prior years	3	(4,700)
	(169,886)	149,379

b. The prima facie tax on loss before income tax is reconciled to the income tax as follows:

Prima facie tax refundable on gain/ (loss) before income tax at 30% (2017: 30%)	569,085	(864,430)
Effect of tax rates in foreign jurisdiction	(153,278)	248,069
Add:		
Tax effect of:		
- derecognition of deferred tax assets	-	150,000
- gain on purchase	(468,232)	-
- deduction under Internationalisation Scheme grant	(25,500)	-
- write-off of goodwill	-	79,837
- non-deductible expenses	143,103	3,270
- non-taxable incomes	(30,890)	(3,620)
- under/(over) provision for income tax in prior years	3	(4,700)
- withholding tax deducted at source	1,486	4,079
- utilisation of deferred tax assets previously not recognised	(200,747)	(5,224)
- deferred tax asset not recognised	166,459	575,012
- deferred tax asset recognised	(171,375)	-
- tax effect on capital allowances	-	(32,914)
Income tax (benefit)/expense	(169,886)	149,379

The value of tax losses not recognised is S$7,774,000 (2017: S$9,941,000). No capital allowances were unrecognised in the current financial year (2017: S$214,000).

6 Auditor's Remuneration

	Consolidation Group	
	2018	**2017**
	S$	**S$**
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	25,495	37,815
- taxation services	8,199	6,157
- expert report services	36,129	-
Remuneration of other auditors:		
- auditing or reviewing the financial report of subsidiaries	57,960	57,548
- taxation services	10,547	9,995

7 Bargain Purchase

On 6 March 2018, MHV, a wholly-owned subsidiary of AAMG, completed its acquisition of 95.1% of HDSB which resulted in the recognition of bargain gain, recognised in the profit or loss statement.

Prior to the acquisition, HDSB was wholly owned by Dato' Dr Tan Kai Chah, the Executive Chairman and single largest shareholder of AAMG. HDSB owns a five acres parcel of land in Iskandar Puteri, in the Southern Malaysian state of Johor and intends to develop this land into an integrated cancer centre. AAMG will provide overall strategic services to assist with project development of the land.

Details of the transactions are as follows:

	2018
	S$
Non-current assets	
Property, plant and equipment	7,951,014
Current assets	
Cash and cash equivalents	1,836,805
Total liabilities	
Trade and other payables	(2,038,132)
Fair value of assets acquired and liabilities assumed at acquisition date	7,749,687
Shares consideration issued	(4,296,060)
Cash consideration paid	(1,892,855)
Gain from bargain purchase	1,560,772

The acquisition of HDSB was settled partially in shares and cash, amounting to S$4,296,060 and S$1,892,855 respectively. 40,000,000 shares were issued at an issued price of AUD 0.105. Acquisition related costs amounting to S$52,000 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses'.

Fair value of the net assets as at acquisition date, comprising of five acres land, a construction in progress building and other payables, exceeds the total purchase consideration, resulting in a gain from bargain purchase.

Conditions precedent to the subscription agreement for the acquisition dated 20 October 2017 was met on 2 March 2018 and shares allotment to MHV was completed on 6 March 2018. Upon the successful allotment of shares, AAMG controls 95.1% of HDSB.

HDSB contributed a net loss of S$105,000 to the consolidated profit for the financial year from 1 September 2017 to 31 August 2018. If HDSB has been acquired on 1 September 2017, intercompany management fees of S$391,000 would be eliminated and pre-acquisition net losses of S$14,000 would be accounted in the consolidated profit.

8 Dividends

No interim or final dividend has been paid during the year or recommended by the Directors following the completion of accounts for the financial year ended 31 August 2018 (2017: Nil).

9 Earnings per Share (EPS)

	Consolidation Group	
	2018	**2017**
	S$	**S$**
Profit/ (Loss) after income tax attributable to the owners of Asian American Medical Group Limited	1,950,766	(3,093,383)
	Number of shares	Number of shares
Weighted average number of ordinary shares during the year used in calculating basic/diluted EPS	317,369,192	297,752,754
Basic earnings/ (loss) per share (S cents)	0.62	(1.04)
Diluted earnings/ (loss) per share (S cents)	0.62	(1.04)

10 Cash and Cash Equivalents

	Consolidation Group	
	2018	**2017**
	S$	**S$**
Cash and bank balances	5,542,147	5,434,804
Fixed deposit	3,386,591	3,739,926
Cash and cash equivalents per consolidated statement of cash flows	8,928,738	9,174,730

The effective interest rate on short-term bank deposits was 0.74% - 2.00% (2017: 0.45% - 2.75%) per annum. The bank deposits will mature in January 2019.

11 Trade and Other Receivables

	Consolidation Group	
	2018	**2017**
	S$	**S$**
Current		
Trade receivables	2,500,684	5,718,574
Other receivables	131,366	253,366
Deposits	188,817	155,437
Total current trade and other receivables	2,820,867	6,127,377

a. Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on terms of 60 - 120 days. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. Apart from the abovementioned debt, no trade or other receivables are considered past due or impaired. The Group reviews its trade receivables for evidence of impairment on a regular basis. The trade receivable consists mainly of amounts owing by the United Arab Emirates ("UAE") government agencies. Management holds regular meetings with the agencies relating to patient care feedback and collection of amounts outstanding. Management is of the opinion that the trade receivables are recoverable and hence, no further impairment is required.

b. Credit risk

The group has no significant concentration of credit risk with respect to any single counter party or group of counter parties.

The following table details the Group's trade receivables exposed to credit risk with ageing analysis. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party (more than 60 days) to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The balances of receivables that remain within initial trade terms are considered to be high credit quality.

	Consolidation Group	
	2018	**2017**
	S$	**S$**
Current	476,242	1,518,501
Due 1 - 30 days	482,705	760,021
Due 31- 60 days	38,569	1,014,633
Due over 60 days	1,503,168	2,425,419
	2,500,684	5,718,574

12 Inventories

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Medical Supplies at cost	192,689	165,618

13 Property, Plant and Equipment

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Office equipment		
At Cost	7,735	7,735
Accumulated depreciation	(6,067)	(6,333)
Total office equipment	1,668	1,402
Medical equipment		
At Cost	340,129	338,929
Accumulated depreciation	(339,109)	(334,262)
Total medical equipment	1,020	4,667
Computers		
At Cost	163,656	169,975
Accumulated depreciation	(143,281)	(129,721)
Total computers	20,375	40,254
Furniture and fittings		
At Cost	256,167	256,167
Accumulated depreciation	(246,812)	(232,556)
Total furniture and fittings	9,355	23,611
Leasehold Improvements		
At Cost	79,677	-
Accumulated depreciation	(3,320)	-
Total leasehold improvements	76,357	-

	Consolidated Group	
	2018	**2017**
Land		
At Cost	6,902,384	-
Accumulated depreciation	-	-
Total computers	6,902,384	-
Building (construction in progress)		
At Cost	1,962,215	-
Accumulated depreciation	-	-
Total computers	1,962,215	-
Total property, plant and equipment	8,973,374	69,934

	Office equipment	Medical equip-ment	Computers	Furniture and fittings	Leasehold Improvements	Land	Building	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Balance at 31 August 2017	1,402	4,667	40,254	23,611	-	-	-	69,934
Additions	-	1,200	4,431	-	79,677	-	627,590	712,898
Acquisition through business combination	-	-	-	-	-	6,988,113	1,372,574	8,360,687
Disposals	-	-	-	-	-	-	-	-
Write-off	815	-	(1,220)	-	-	-	-	(405)
Exchange Difference	-	-	-	-	-	(85,729)	(37,949)	(123,678)
Depreciation expense	(549)	(4,847)	(23,090)	(14,256)	(3,320)	-	-	(46,062)
Carrying amount at 31 August 2018	1,668	1,020	20,375	9,355	76,357	6,902,384	1,962,215	8,973,374

	Office equipment	Medical equip-ment	Computers	Furniture and fittings	Leasehold Improvements	Land	Building	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Balance at 31 August 2016	2,134	13,767	59,534	43,201	-	-	-	118,636
Additions	-	-	4,849	-	-	-	-	4,849
Disposals	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-
Depreciation expense	(732)	(9,100)	(24,129)	(19,590)	-	-	-	(53,551)
Balance at 31 August 2017	1,402	4,667	40,254	23,611	-	-	-	69,934

14 Intangible Assets

	Consolidated Group	
	2018	2017
	S$	S$
Total Intangible Assets		
Goodwill		
Goodwill, at cost	-	266,123
Less: Goodwill written-off	-	(266,123)
Net carrying amount	-	-

Impairment disclosures

The Group reviews the necessity and adequacy of the allowance for impairment at each reporting date and makes adjustments where necessary. Goodwill is tested for impairment annually and at each reporting date where there is objective evidence that goodwill may be impaired.

In performing the impairment assessment of the carrying amount of goodwill in FY2017, the recoverable amount of CGUs to which goodwill has been attributed is determined by using value in use calculations, using cash flow projections from financial budgets approved by the management covering a period not exceeding five years.

Goodwill written-off

During the previous financial year, the Group wrote-off its goodwill of S$266,123, in view of the uncertainty of the profitability of AALC in the coming years. This amount has been recognised accordingly in FY2017's profit or loss account.

15 Trade and Other Payables

	Consolidated Group	
	2018	**2017**
Current	**S$**	**S$**
Trade payables	3,615,215	5,029,622
Patients' deposits	305,194	85,063
Provision for employee benefits	190,516	165,826
Sundry payables and accrued expenses	1,531,453	660,222
Total current trade and other payables	5,642,378	5,940,733

The provision for employee benefits relates to the provision for cash bonus to employees for the period from January to August 2018 (2017: January to August 2017) and is payable by December 2018 (2017: December 2017).

16 Taxation

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Current assets		
Income tax refundable	-	8,334

Non-current

	1 September 2017		**31 August 2018**
	S$	**S$**	**S$**
Deferred tax asset and liability			
Tax asset arising from unused tax losses	-	(171,375)	(171,375)
Tax liability arising from land revaluation	-	75,922	75,922
Net deferred tax asset	-	(95,453)	(95,453)

17 Issued Capital

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Opening share balance	12,932,538	12,932,538
Shares issued during the year	4,296,060	-
Closing share capital	17,228,598	12,932,538

a. Ordinary shares	**2018 Number of shares**	**2017 Number of shares**
Opening share balance	297,752,754	297,752,754
Shares issued during the year	40,000,000	-
Closing share capital	337,752,754	297,752,754

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

During the financial year, 40,000,000 new ordinary shares were issued at A$0.105 per share in part satisfaction of the consideration under the Subscription Agreement to subscribe for 95.1% of HDSB.

b. Capital management

Management controls the capital of the Group in order to provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. Currently the Group has no debt.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital during the year.

18 Reserves

a. Nature and purpose of reserve

(i) Share-based payments

The share-based payments reserve is used to recognise the:

- Fair value of options issued to employees but not exercised as at grant date
- Fair value of shares issued to employees as at grant date
- Issue of shares held by the AAMG Employee Share Trust to employees

There is no share option issued in the reporting period.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign-controlled entity are recognised in other comprehensive income as described in note 2(o) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

b. Movements in reserves

	Consolidated Group	
	2018	**2017**
	S$	**S$**
(i) Foreign currency translation reserve		
Beginning of financial year	150,793	(374,557)
Net currency translation differences of financial statements of foreign subsidiaries	(963,095)	525,350
End of financial year	(812,302)	150,793
Total as at end of financial year	**(812,302)**	**150,793**

19 Investment in Joint Venture

During the financial year, GBAA entered into a joint collaboration with its strategic partner to incorporate All-Star American Medical Specialists (Myanmar) Limited ("AAMS") in Myanmar. GBAA has a 50% shareholding under this joint venture, which entitles Asian American Medical Group Pte Ltd ("AAMGPL") to 25.5% of AAMS's profit.

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Investment in Joint Venture	69,248	-
Profit from related associate	2,417	-
Total net assets of AAMS	138,496	-
Proportion of ownership interest held by the Group	50%	-
Carrying amount of the investment in AAMS	**69,248**	-

20 Controlled Entities

a. Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2018	**2017**
Asian American Medical Group Limited	Australia		
Subsidiary of Asian American Medical Group Limited:			
Asian American Medical Group Inc.	British Virgin Islands	100	100
Subsidiaries of Asian American Medical Group Inc.			
Asian American Liver Centre Pte. Ltd.	Singapore	100	100
Asian American Radiation & Oncology Pte. Ltd. (formerly known as Asian American Radiation Oncology Pte. Ltd.)	Singapore	70	70

Asian American Medical Group Pte. Ltd.	Singapore	100	100
Million Health Ventures Pte. Ltd.	Singapore	100	100
Subsidiary of Million Health Ventures Pte. Ltd. :			
Asian American Oncology Management Sdn. Bhd.	Malaysia	100	100
Hippocrates Development Sdn. Bhd. (3)	Malaysia	95	-
Subsidiary of Asian American Medical Group Pte. Ltd. :			
Gold Bell Asia American Healthcare Ventures Company Limited (1)	Myanmar	51	-
Associate of Asian American Liver Centre Pte. Ltd :			
PT. Asian Liver Center Indonesia (2)	Indonesia	-	50

(1) Incorporated on 19 September 2017
(2) Disposed on 12 September 2017
(3) Acquired on 6 March 2018

b. Acquisition of controlled entities

(A) GBAA was incorporated in Myanmar on 19 September 2017 and is a 51% subsidiary of Asian American Medical Group Pte Ltd.

(B) On 6 March 2018, MHV completed its acquisition of 95.1% Hippocrates Development Sdn Bhd ("HDSB"). Under the conditional subscription agreement dated 20 October 2017, the subscription price of RM19,408,163 consisted of RM5,606,963 paid by MHV to HDSB, together with the issue of approximately 40,000,000 shares by the Asian American Medical Group Limited in part satisfaction of amounts due to the land vendor by HDSB (under the Sale and Purchase Agreement), equivalent to the balance of the subscription price for MHV of RM13,801,200.

(C) AAMS was incorporated in Myanmar on 16 May 2018 and is 50% owned by GBAA.

c. Disposal of controlled entities

(D) PT Asian Liver Center Indonesia, a 50% dormant associate of Asian American Liver Centre Pte Ltd, was disposed of for a nominal sum of S$1.00 on 12 September 2017. No loss was incurred from the disposal as no investment was made.

21 Commitments and contingencies

	Consolidated Group	
	2018	**2017**
	S$	**S$**
a. Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	-	415,018
Longer than 1 year but not longer than 5 years	-	33,000
	-	448,018

The leases for the Group's office premises at Gleneagles Hospital expired in June 2018 and are still in the midst of discussion as at the date of the announcement. The management is of the opinion that there are no foreseeable circumstances which will lead to a non-continuation of the lease.

b. Finance leases

There is no outstanding finance lease balance as at reporting date.

c. Capital commitments

There is no capital commitment as at reporting date which was not recognised in the financial statements.

d. Contingent liabilities

There is no contingent liabilities as at reporting date which was not recognised in the financial statements.

22 Cash Flow Information

Reconciliation of cash flow from operations with profit/ (loss) after income tax

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Profit/ (Loss) after income tax	2,066,838	(3,030,810)
Adjustment for:		
Write off of property, plant and equipment	407	-
Depreciation	46,062	53,551
Gain on purchase	(1,560,772)	-
Provision for investment in joint venture	(69,248)	-
Write-off of goodwill	-	266,123
Foreign exchange gain/ (loss)– net	183,325	(98,138)
Finance income	(63,713)	(100,618)
Changes in assets and liabilities:		
(Decrease)/ increase in trade and other receivables	2,788,982	(1,173,537)
(Decrease)/increase in inventories	(27,071)	25,111
(Decrease) increase in trade and other payables	(2,561,869)	1,404,991
(Decrease)/ increase in deferred and current tax liabilities	(87,120)	150,000
Net cash generated from/ (used in) operating activities	715,821	(2,503,327)

23 Events After Reporting

No matters or circumstances have arisen since the end of the financial which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24 Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker, the Board of Directors (chief operating decision makers), in order to allocate resources to the segment and to assess its performance. The Consolidated Group has identified its operating segments to be as follows based on distinct operational activities:

- (i) Provision of medical consultation and services in the hepatology and related fields (liver segment); and
- (ii) Provision of medical consultation and services in the radiation and oncology, and related fields (radiation and oncology segment);
- (iii) Provision of healthcare management and consultancy services (management and consultancy segment);
- (iv) Development of real estate projects (healthcare real estate segment), established through acquisition of HDSB (see Note 7); and
- (v) Provision of corporate management services (corporate segment).

This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated Group. Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The current Consolidated Group operates primarily in four businesses, namely the provision of medical consultation and services in the hepatology, radiation and oncology, healthcare management and its related field advisory and healthcare real estate. The corporate segment relates to administrative expenses at Group level.

Details of the performance of these operating segments for the financial years ended 31 August 2018 and 31 August 2017 are set out below:

(i) Segment performance

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Total
	S$	S$	S$	S$	S$
31 August 2018					
External sales revenue	12,697,626	3,020,487	1,758,916	-	17,477,029
Inter-segment sales	8,731	-	1,124,766	-	1,133,497
Total segment revenue	12,706,357	3,020,487	2,883,682		18,610,526
Inter-segment eliminations					(1,133,497)
Total Group revenue					17,477,029
Segment net profit before tax	(116,948)	246,100	1,082,918	(119,725)	1,092,345
Other income					804,607
Income tax expense					169,886
Total Group net profit after tax					2,066,838

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Total
	S$,	S$	S$	S$	S$
31 August 2017					
External sales revenue	13,171,254	1,966,084	29,544	-	15,166,882
Inter-segment sales	3,957	-	-	-	3,957
Total segment revenue	13,175,211	1,966,084	29,544	-	15,170,839
Inter-segment eliminations					(3,957)
Total Group revenue					15,166,882
Segment net (loss)/profit before tax	(851,213)	208,578	(1,529,742)	-	(2,172,377)
Other expenses					(709,054)
Income tax benefit					(149,379)
Total Group net loss after tax					(3,030,810)

(ii) Segment assets

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S$	S$	S$	S$	S$	S$
31 August 2018						
Segment assets	6,103,337	1,550,073	7,895,266	9,045,446	25,627,724	50,221,846
Reconciliation of segment assets to Group assets:						
Inter-segment eliminations						(29,065,555)
Total Group assets						21,156,291
Segment asset increases in the year						
Capital expenditure through business combination	-	-	-	8,360,687	-	8,360,687
Capital expenditure	84,108	1,200	-	627,590	-	712,898
Total	84,108	1,200	-	8,988,277	-	9,073,585

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S$	S$	S$	S$	S$	S$
31 August 2017						
Segment assets	7,119,366	895,093	5,457,186	-	3,647,853	17,119,498
Reconciliation of segment assets to Group assets:						
Inter-segment eliminations						(1,573,505)
Total Group assets						15,545,993
Segment asset increases in the year						
Capital expenditure	4,849	-	-	-	-	4,849

(iii) Segment liabilities

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S$	S$	S$	S$	S$	S$
31 August 2018						
Segment liabilities	(4,939,040)	(480,331)	(8,589,309)	(2,549,110)	(7,766,567)	(24,324,357)
Reconciliation of segment liabilities to Group liabilities:						
Inter-segment eliminations						18,606,057
Total Group liabilities						(5,718,300)

	Liver	Radiation and Oncology	Management & Consultancy	Healthcare Real Estate	Corporate	Total
	S$	S$	S$	S$	S$	S$
31 August 2017						
Segment liabilities	(5,836,637)	(242,827)	(7,293,295)	-	(4,610,249)	(17,983,008)
Reconciliation of segment liabilities to Group liabilities:						
Inter-segment eliminations						12,042,275
Total Group liabilities						(5,940,733)

(iv) Revenue by geographical location

Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Singapore	15,532,860	14,694,885
Asia (ex-Singapore)	1,827,040	154,632
Others	117,129	317,365
Total revenue	17,477,029	15,166,882

(v) Assets by geographical location

	Consolidated Group	
	2018	**2017**
	S$	**S$**
Assets by geographical location:		
Australia	2,229,675	3,118,012
Singapore	8,674,333	12,427,981
Malaysia	10,106,038	-
Myanmar	146,245	-
Total assets	21,156,291	15,545,993

(vi) Major Customers

The group is not reliant on any one major customer to whom it provides its products or services to.

24 Parent Company Information

	2018	**2017**
Parent entity	**S$**	**S$**
Assets		
Current assets	6,737,334	3,649,838
Non-current assets	9,159,693	6,246,612
Total assets	15,897,027	9,896,450
Liabilities		
Current liabilities	(459,037)	(291,190)
Total liabilities	(459,037)	(291,190)
Total Net Assets	15,437,990	9,605,260
Equity		
Issued capital	30,315,365	26,019,305
Accumulated losses	(14,034,181)	(16,484,479)
Foreign currency revaluation reserve	(843,194)	70,434
Total Equity	15,437,990	9,605,260

Financial performance	**2018** **S$**	**2017** **S$**
Loss for the year	(1,344,614)	(4,421,664)
Other comprehensive income	(913,628)	503,472
Total comprehensive loss	(2,258,242)	(3,918,192)

Included in the loss for the year is a S$962,815 write down (2017: S$3,798,212) of investment in subsidiary to the net asset of the Group, which does not have an impact on the Group's consolidated results for the current or prior year.

The parent entity has no contingent liabilities, contractual commitments or guarantees in relation to its subsidiary entities.

25 Company Details

The registered office of the company is:
25 Peel Street
Adelaide SA 5000

The principal place of business is:
Asian American Medical Group
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Singapore centres:
Asian American Liver Centre Pte Ltd
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Asian American Radiation & Oncology Pte Ltd
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Asian American Medical Group Pte Ltd
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Malaysia centre:
iHEAL Medical Centre
Level 7 & 8, Annexe Block, Menara IGB,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.

Myanmar centre:
Grand Hantha International Hospital
No.3, Corner of Nar,
Nat Taw Road & Lower Kyee Myindaing Kanner Road,
Kamaryut Township Yangon, Myanmar